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Mexico

Dairy and Products

Mexico Announces the Application Date for Import Permits for Dairy Preparations, Milk Powder from the U.S. and WTO Member Countries for 2006

2006

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Report Highlights:

On March 15, 2006, Mexico's Secretariat of Economy (SE) announced that it will accept applications from domestic dairy product importers for the TRQs (cupos) for dairy preparations and milk powder beginning May 15, 2006.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Mexico [MX1]
[MX]

Introduction: This report summarizes the official announcement published in Mexico's "Diario Oficial" (Federal Register) on March 15, 2006.

Disclaimer: This summary is based on a *cursory* review of the subject announcement and therefore should not, under any circumstances, be viewed as a definitive reading of the regulation in question, or of its implications for U.S. agricultural export trade interests. In the event of a discrepancy or discrepancies between this summary and the complete regulation or announcement as published in Spanish, the latter shall prevail.

FAS/Mexico's Executive Summary: The Secretariat of Economy (SE) announced in the "Diario Oficial" (Federal Register) that it will accept applications for import permits or "cupos" to import certain dairy products under its WTO and NAFTA commitments on May 15, 2006. This TRQ is in effect until December 31, 2006. The United States may supply products under this TRQ. (See MX6001, MX6002 and MX6003, all dated 01/05/06)

H.S. Number and Product	MFN TRQ for 2006
1901.90.05. Dairy products preparations based on a content of over 50 percent solids in weight, except those comprised in tariff classification 1901.90.04	
Total TRQ's	44,200 MT
0402.10.01 Milk in powder or tablets, containing not over 1.5 percent by weight of butterfat. Without sugars or sweeteners	
0402.21.01 Milk in powder or tablets, containing over 1.5 percent by weight of butterfat. Without sugars or sweeteners	
Total TRQ's	57,030 MT**
0402.10.01 Milk in powder or tablets, containing not over 1.5 percent by weight of butterfat. Without sugars or sweeteners	
0402.21.01 Milk in powder or tablets, containing over 1.5 percent by weight of butterfat. Without sugars or sweeteners	
Total TRQ's	120,000 MT*

* 40,000 MT of the TRQ is specifically allocated to the United States.

** Total TRQ of 57,030 MT is specifically allocated to the United States under the NAFTA.

The mechanism through which the TRQ will be allocated is:

Direct allocation to authorized companies who use dairy preparations and milk powder in their production processes. The applications for the request of allocation of the cupos (import permits) must be submitted in form SE-03-011-1 at the General Directorate of Foreign Trade of SE, on May 15, 2006.

Once the quantity to be imported is allocated under the TRQ, SE will issue the cupos to the authorized companies. The permit must be used to import the milk powder or must be

returned to the issuing office within 15 days following the expiration date of its validity period.

FAS/Mexico Note: This is NOT an invitation for bids to purchase selected dairy products. Rather, it is an auction of the right to import the listed product duty free. Thus, the auction is limited to Mexican companies within the dairy industry who use dairy products in their production processes. Mexican importers who are granted the *cupos* will likely be looking to import products shortly after the auction is announced, if not earlier.

Comment: In the past, the Government of Mexico has typically taken applications for *cupos* earlier in the calendar year. However, due to reported industry concerns over the supply of imported dairy products along with reported surpluses of domestic dairy products, it appears that the Government has opted to delay issuance of *cupos* in 2006. It's unclear when *cupos* will be issued, but the process will likely be delayed until at least June, which would leave six months to import the TRQ allocations. One possible reason for the perceived increase in dairy products may stem from a surge in imports of dairy blends during the period in which the Government of Mexico was deciding which products would be subject to duties under the Byrd Amendment retaliation. (see MX 5074)

Important Dates

1. **Publication Date:** March 15, 2006
2. **Implementation Date:** March 15, 2006
3. **Validity Period:** Upto December 31, 2006

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Internet Connections

FAS Mexico Web Site: We are available at <http://www.fas-la.com> or visit the FAS headquarter's home page at <http://www.fas.usda.gov> for a complete selection of FAS' worldwide agricultural reporting.

Useful Mexican Web Sites: Mexico's equivalent of the Department of Agriculture (SAGARPA) can be found at www.sagar.gob.mx and Mexico's equivalent of the Department of Commerce (SE) can be found at www.sde.gob.mx These Web sites are mentioned for the readers' convenience but USDA does NOT in any way endorse, guarantee the accuracy of, or necessarily concur with the information contained on the mentioned sites.